
HOUSE BILL 1044

State of Washington 58th Legislature 2003 Regular Session

By Representatives McMahan, Benson, Hinkle, Carrell, Mielke,
McDonald, Cox, Holmquist and Simpson

Read first time 01/14/2003. Referred to Committee on Finance.

1 AN ACT Relating to providing tax relief for senior citizens and
2 persons retired because of physical disability; amending RCW 84.36.381;
3 and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 84.36.381 and 1998 c 333 s 1 are each amended to read
6 as follows:

7 A person shall be exempt from any legal obligation to pay all or a
8 portion of the amount of excess and regular real property taxes due and
9 payable in the year following the year in which a claim is filed, and
10 thereafter, in accordance with the following:

11 (1) The property taxes must have been imposed upon a residence
12 which was occupied by the person claiming the exemption as a principal
13 place of residence as of the time of filing: PROVIDED, That any person
14 who sells, transfers, or is displaced from his or her residence may
15 transfer his or her exemption status to a replacement residence, but no
16 claimant shall receive an exemption on more than one residence in any
17 year: PROVIDED FURTHER, That confinement of the person to a hospital
18 or nursing home shall not disqualify the claim of exemption if:

19 (a) The residence is temporarily unoccupied;

1 (b) The residence is occupied by a spouse and/or a person
2 financially dependent on the claimant for support; or

3 (c) The residence is rented for the purpose of paying nursing home
4 or hospital costs;

5 (2) The person claiming the exemption must have owned, at the time
6 of filing, in fee, as a life estate, or by contract purchase, the
7 residence on which the property taxes have been imposed or if the
8 person claiming the exemption lives in a cooperative housing
9 association, corporation, or partnership, such person must own a share
10 therein representing the unit or portion of the structure in which he
11 or she resides. For purposes of this subsection, a residence owned by
12 a marital community or owned by cotenants shall be deemed to be owned
13 by each spouse or cotenant, and any lease for life shall be deemed a
14 life estate;

15 (3) The person claiming the exemption must be sixty-one years of
16 age or older on December 31st of the year in which the exemption claim
17 is filed, or must have been, at the time of filing, retired from
18 regular gainful employment by reason of physical disability: PROVIDED,
19 That any surviving spouse of a person who was receiving an exemption at
20 the time of the person's death shall qualify if the surviving spouse is
21 fifty-seven years of age or older and otherwise meets the requirements
22 of this section;

23 (4) The amount that the person shall be exempt from an obligation
24 to pay shall be calculated on the basis of combined disposable income,
25 as defined in RCW 84.36.383. If the person claiming the exemption was
26 retired for two months or more of the assessment year, the combined
27 disposable income of such person shall be calculated by multiplying the
28 average monthly combined disposable income of such person during the
29 months such person was retired by twelve. If the income of the person
30 claiming exemption is reduced for two or more months of the assessment
31 year by reason of the death of the person's spouse, or when other
32 substantial changes occur in disposable income that are likely to
33 continue for an indefinite period of time, the combined disposable
34 income of such person shall be calculated by multiplying the average
35 monthly combined disposable income of such person after such
36 occurrences by twelve. If it is necessary to estimate income to comply
37 with this subsection, the assessor may require confirming documentation
38 of such income prior to May 31 of the year following application;

1 (5)(a) A person who otherwise qualifies under this section and has
2 a combined disposable income of (~~(thirty)~~) thirty-four thousand dollars
3 or less shall be exempt from all excess property taxes; and

4 (b)(i) A person who otherwise qualifies under this section and has
5 a combined disposable income of (~~(twenty-four)~~) twenty-eight thousand
6 dollars or less but greater than (~~(eighteen)~~) twenty-two thousand
7 dollars shall be exempt from all regular property taxes on the greater
8 of (~~(forty)~~) forty-four thousand dollars or thirty-five percent of the
9 valuation of his or her residence, but not to exceed (~~(sixty)~~) sixty-
10 four thousand dollars of the valuation of his or her residence; or

11 (ii) A person who otherwise qualifies under this section and has a
12 combined disposable income of (~~(eighteen)~~) twenty-two thousand dollars
13 or less shall be exempt from all regular property taxes on the greater
14 of (~~(fifty)~~) fifty-four thousand dollars or sixty percent of the
15 valuation of his or her residence; and

16 (6) For a person who otherwise qualifies under this section and has
17 a combined disposable income of (~~(thirty)~~) thirty-four thousand dollars
18 or less, the valuation of the residence shall be the assessed value of
19 the residence on the later of January 1, 1995, or January 1st of the
20 assessment year the person first qualifies under this section. If the
21 person subsequently fails to qualify under this section only for one
22 year because of high income, this same valuation shall be used upon
23 requalification. If the person fails to qualify for more than one year
24 in succession because of high income or fails to qualify for any other
25 reason, the valuation upon requalification shall be the assessed value
26 on January 1st of the assessment year in which the person requalifies.
27 If the person transfers the exemption under this section to a different
28 residence, the valuation of the different residence shall be the
29 assessed value of the different residence on January 1st of the
30 assessment year in which the person transfers the exemption.

31 In no event may the valuation under this subsection be greater than
32 the true and fair value of the residence on January 1st of the
33 assessment year.

34 This subsection does not apply to subsequent improvements to the
35 property in the year in which the improvements are made. Subsequent
36 improvements to the property shall be added to the value otherwise
37 determined under this subsection at their true and fair value in the
38 year in which they are made.

1 Every two years, the department of revenue shall adjust each
2 combined disposable income amount and each valuation amount in this
3 section to reflect inflation. The department may round the adjusted
4 amounts to the nearest thousand dollars. The adjusted amounts apply
5 for taxes due the following two years. For the purposes of this
6 section, "inflation" means the change in the consumer price index for
7 all urban consumers for the United States, all items, as compiled by
8 the bureau of labor statistics of the United States department of
9 labor.

10 NEW SECTION. Sec. 2. Section 1 of this act applies to taxes
11 levied for collection in 2004 and thereafter.

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